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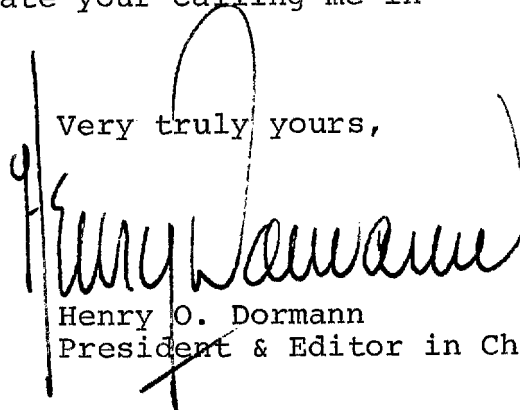
Chief Executive Magazine, Inc.  
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Mr. Herbert E. Hetu  
Assistant to the Director for  
Public Affairs  
Central Intelligence Agency  
Washington, D.C. 20505

Dear Mr. Hetu:

When you have had a chance to look over the magazine,  
in particular its philosophy and circulation listed  
on page 6, I would appreciate your calling me in  
New York City.

Very truly yours,



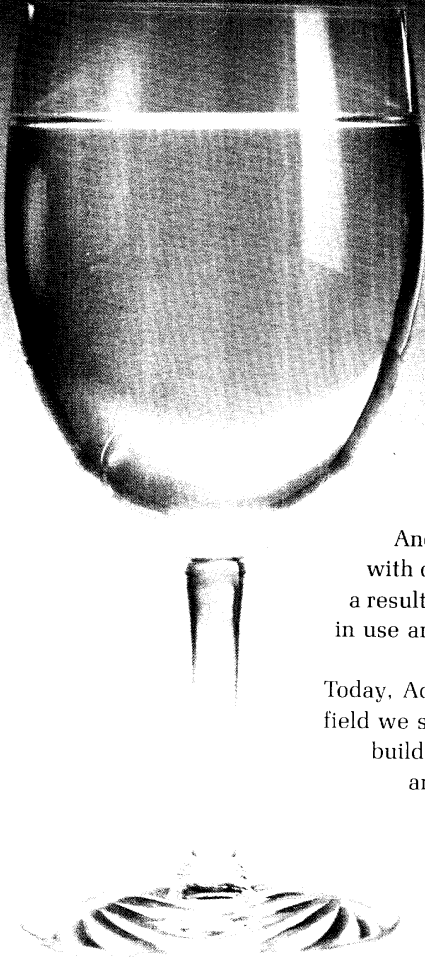
Henry O. Dormann  
President & Editor in Chief

# CHIEF EXECUTIVE

Number  
One



## Pure water is becoming a scarce commodity...



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ANOTHER EXAMPLE OF HOW THE COCA-COLA COMPANY IS HELPING TO IMPROVE THE ENVIRONMENT.

AC-19

**Jimmy Carter**  
President of the United States of America

The President of the United States was chosen to appear on the first cover of Chief Executive Magazine because he holds a unique position in the world today. He, more than any world figure, at the present time is on the threshold of using his influence in the Middle East, in relations with the Soviet Union, Cuba and China as well as Europe and other nations of the world. The President

of the United States has the opportunity to place a strong mark in foreign policy, energy, the economy and peace.

His influence in the field of human rights and his standards of integrity in government, business, and daily life have set him apart in a skeptical world.

How he uses that influence will, no doubt, shape the world of tomorrow in the most significant of ways.

# CHIEF EXECUTIVE

## Number One

July, August, September 1977

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## The Magazine and the Issue

This is the first issue of Chief Executive Magazine which is published quarterly and circulated only to 25,000 distinguished leaders of the world, in one of these prominent positions:

- Chief Executive of a Nation
- Chief Executive of an International Company
- Chief Executive of a World Religion
- Chief Executive of an International Institute of Learning
- Chief Executive of an International Labor Organization

It is the purpose of Chief Executive Magazine to provide a forum for the world's most important and influential leaders to speak quickly to themselves and to give new ideas and inspiration toward a better world.

The idea and the inspiration that brought about Chief Executive Magazine came from a speech and subsequent meetings with John de Butts, Chairman of the American Telephone & Telegraph Company. We are indebted also to the many Chief Executives who have become a part of this effort, and who have contributed their articles exclusively to us. The editors have travelled throughout the world to personally discuss story ideas for this and future issues. Our appreciation is particularly extended to His Imperial Majesty, the Shah of Iran,

who gave so much of his time during an audience in his official office, filled with priceless Persian works of art and about the size of the General Motors Building; President Anwar Sadat dressed in an informal turtleneck sweater on a warm weekend in the countryside near Cairo; President Lopez Portillo and his lovely wife who plays piano with the talent of a concert artist, and especially President Jimmy Carter.

Also Baron Edmond de Rothschild, considered the richest of the family who extended the hospitality of his Paris townhouse where article topics were discussed in his private motion picture projection room which doubles as a lounge; and Walter Hoving, Chairman of Tiffany & Co., who has the inner strength to constructively and publicly discuss the shortcomings of his colleagues, and to say something without involving his corporate experts.

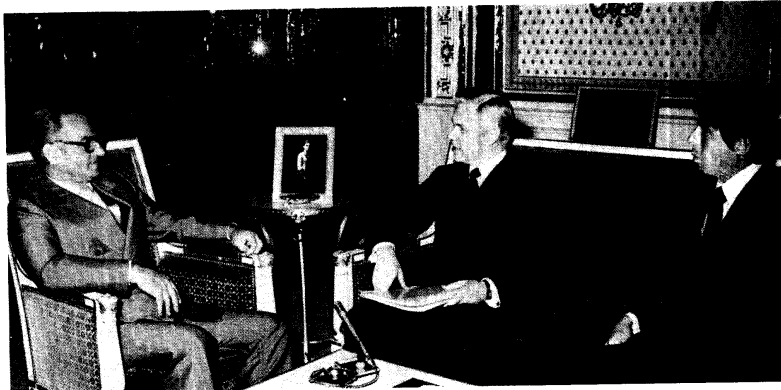
There is much to be done before the citizens of the world fully understand that the business of every nation is government and commerce, and that both business and government should be respected for the good that is accomplished. It is the purpose of this magazine to help make that clear.

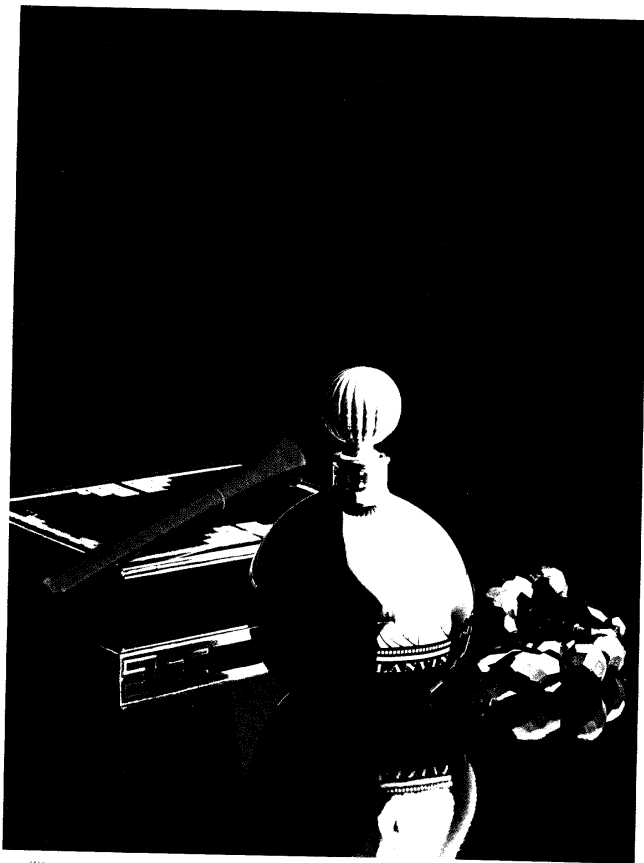


John D. DeButts

Editor in Chief, Henry O. Dormann at Los Pinos, the Mexican White House, with President and Mrs. Lopez Portillo.

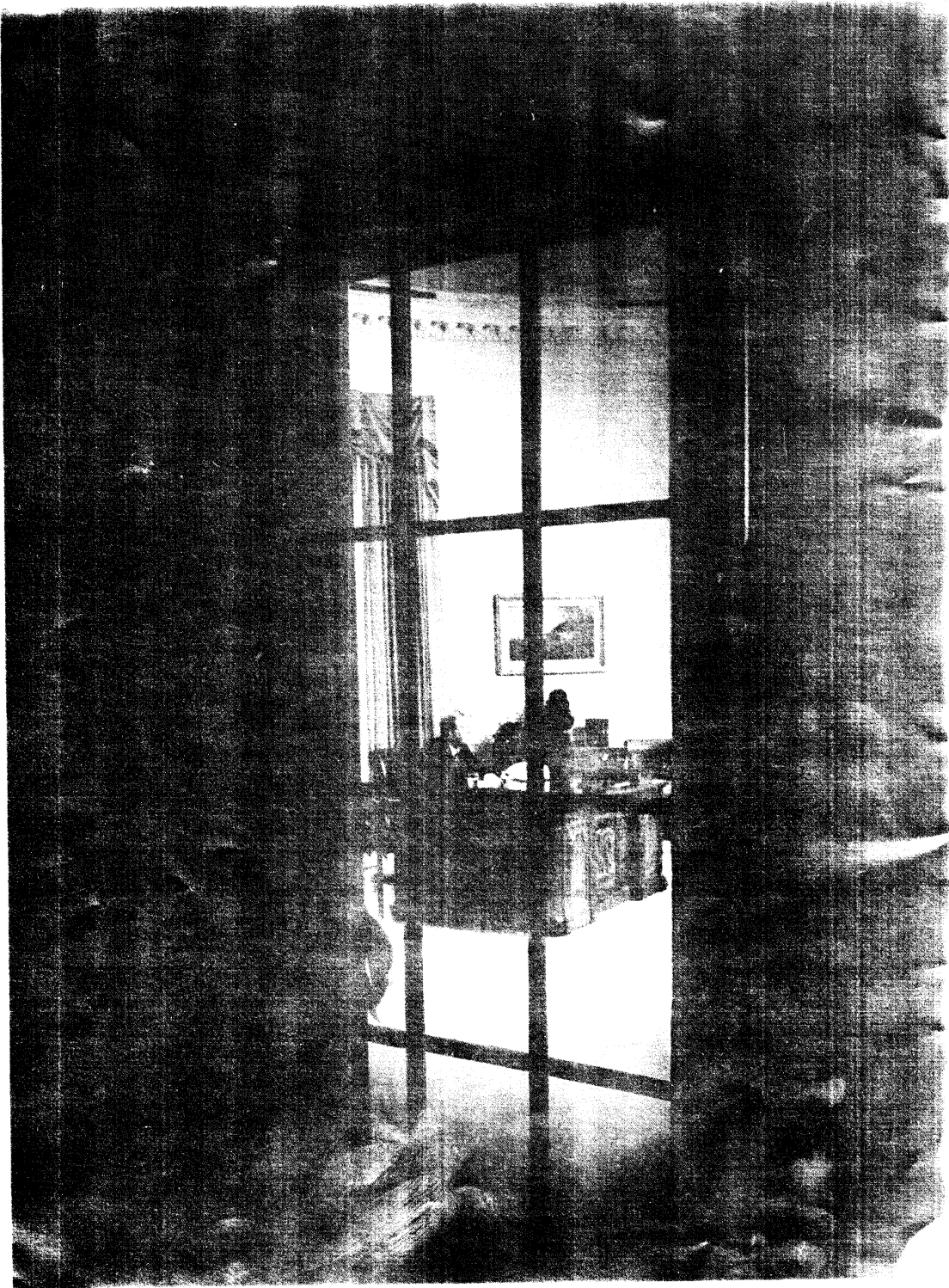
Publisher, John Chr. M.A.M. Deuss and Editor in Chief, Henry O. Dormann interviewing His Imperial Majesty, The Shah of Iran.





*The famous "Boule Noire" created by Jeanne Lanvin in 1927 for her perfume Arpège.*

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## Integrity in Government and Business

Jimmy Carter  
President of the  
United States of America

Those of us who have been interested in public affairs over the past two decades have seen a variety of profound changes take place in American society. None of these is more disturbing to me than the sometimes justifiable tendency toward distrust of people in responsible positions. Businessmen and government should share a common concern about this tendency, because neither our democratic society nor our free market economy can survive without public confidence.

Several years ago, as Governor of Georgia, I met with a distinguished group of business leaders from another state. One of them, who happened to be the chairman of the board of one of this country's largest corporations, was troubled. He said, "I sympathize with you men who serve in public life, but I want to let you know that business is also concerned about the fact that we have absolutely lost our credibility with the public. How do you think we can go about restoring it?"

What I told him then is what I still believe: the best way for us to assure our credibility with the public is to be credible—to tell the truth, and not to underestimate the people we represent.

When this has not happened—when those in government or business have falsely advertised themselves or their products or their policies—the public has responded with disillusionment about the basic integrity of the very people and institutions it wants and needs to trust.

This is not to say that everyone in business and politics is at fault, or that there is something in the nature of those professions that turns honest and sincere and good-spirited people into untrustworthy schemers. It is to say that too often, despite the best intentions in the world, we do not carry into our professional lives the same standards of morality and ethics that we achieve, or at least strive to achieve, in our personal lives. Once we begin to think that the standards we must answer to in business or public service are less real or less strict than the ones we must abide by as individuals, we have started to break faith with the people who are counting on us.

Business people should be the first to insist on higher ethical standards in government. Dishonest politicians create dishonest business leaders, and vice versa. Anyone who has served in public life knows how easy it is to be seduced by the opportunities for social elevation or financial enrichment that come to a politician every day. I am not simply talking about the obvious things like trading favors—I am talking about the more subtle temptations, like getting permission to use his

name (and perhaps his participation in a financially advantageous way) to add stature to a business venture. It might be a perfectly legitimate business. But anyone in politics who wants to keep faith with the people who put him in office will have no hesitation about saying no.

As Chief Executive, the President of the United States has an important role in setting the standards and the tone of our national political life. It is a responsibility I welcome, and one to which I have given a great deal of personal thought. During my first few months in office, I proposed a new set of standards of conduct for the executive branch. Among these are that all gifts of value to public officials should be reported; that all business and financial involvements of our major officials should be forthrightly disclosed; and that no one serving as a major official of any agency should be permitted to have contact with that agency until at least one year after leaving public office.

These things are important. But when people say they are concerned about the lack of integrity in government, I suspect they are talking about more than this. The root of the problem is not so much that people have lost confidence in government, as that government has demonstrated time and again its lack of confidence in them.

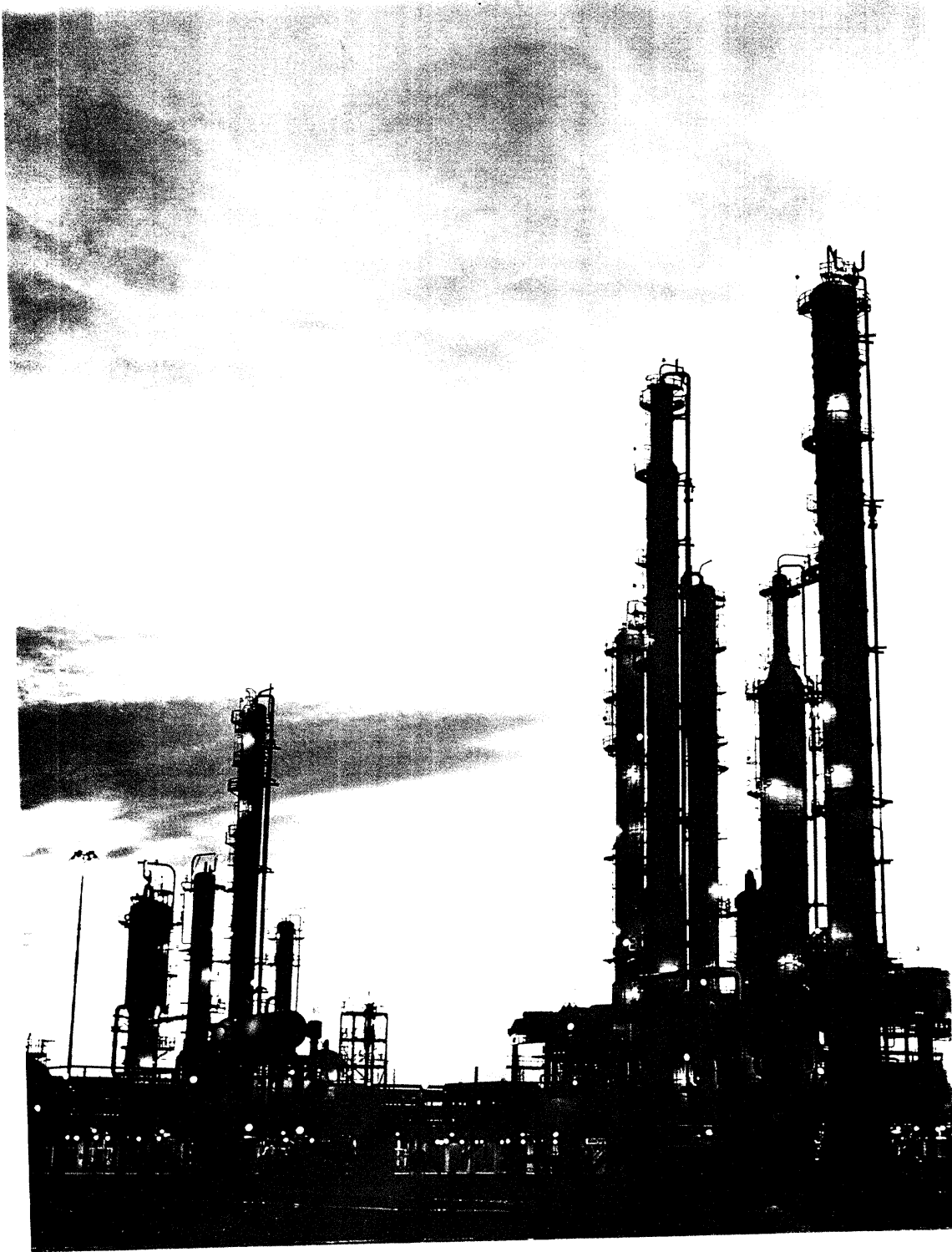
We have lived—and to a great extent are still living—in a time when political leaders are too often isolated from the people they serve: they make decisions in an ivory tower, and they have no real, direct, personal involvement with the programs they supervise.

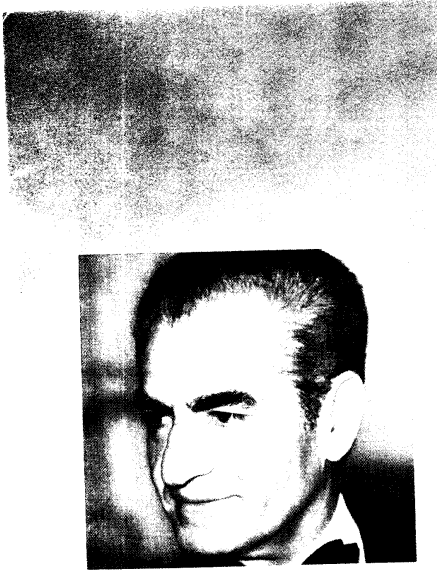
The test of a government is not how popular it is with the powerful and the privileged few, but how honestly and fairly it deals with the many who must depend on it. The elected official is often the only effective representative and voice for the unorganized, average citizen.

By once again showing confidence in the average citizen, we can do much to restore faith in the integrity of government. That is why, as President, I have tried to break down the barriers that separate elected officials from the people. And it is why I have done everything I could to encourage free debate, participation, and involvement in the political process. It may be easier and more convenient to do things in a tight, closed circle, but to do that takes away the feeling of belonging that is essential to effective government in a democracy.

I have no illusions that we as individuals or the institutions we serve will ever be perfect. But the impossibility of asking perfection can never be an excuse for failure to always seek to do better.

CHIEF EXECUTIVE

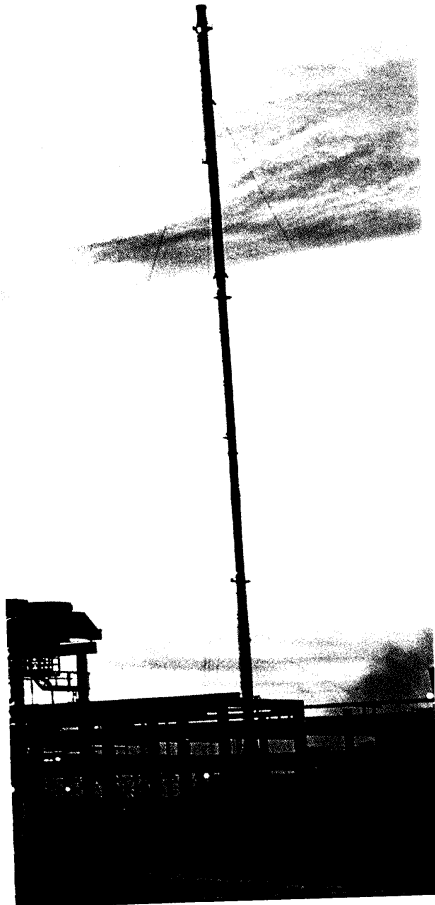




## Face to Face

An Interview with the Shah of Iran

*In an exclusive interview with John Chr. M.A.M. Deuss, Publisher of Chief Executive Magazine, His Imperial Majesty, the Shah of Iran, calls for a new energy policy by the oil-producing nations of the world.*



**Chief Executive** What major solution would you propose toward solving the energy problems of the world?

**Shah** It is important to develop new sources of energy and I would suggest that the oil-producing countries who do not know what to do with the revenue should be willing to invest it in the discovery of new sources of energy. Why not? It is an assurance of their future; it would bring money back to them and they are not going to waste and spend all that money just on luxury hotels or whatever. This will help to solve the energy crisis in the whole world. It is not just for the United States, it will be for the entire humanity. This is one way of approaching the crisis. The other would be for the consumer nations to stop wasting the precious stuff.

## Face to Face

An Interview with the Shah of Iran

**Shah** Oil should not be used the way it is; other sources should be found such as coal, shale and fusion. Shale deposits in the United States contain millions of barrels of oil and there are also good prospects for fusion, hydrogen extracted from water, plasma and many other things. I see that the United States is finally starting to say what I dared to say a few years ago and for which I was treated like a heretic. I was even called a nut, but who is the nut now? You see that oil as a source of energy will be finished in 25 years time.

**Chief Executive** Do you believe that the producing countries should take part in oil conservation programs?

**Shah** Yes, and especially those who do not need the money which comes from the oil.

**Chief Executive** Right now the United States has come up with an energy program that is not going to be a solution to their energy problem. It really cannot produce a program that will solve the energy shortage because this would be politically unacceptable. The oil crisis, which in fact exists, still does not fully exist in the minds of the American people. However the producing countries are in a much better position to implement an effective oil conservation program, as they are not handicapped by political implications. Do you think that it is your duty to force consumer countries to control their consumption, or is it your position that they have to solve this problem themselves?

### No Industrial Leadership

**Shah** Well, it's a combination of the two. We not only spend up to the last cent of our oil revenue, we even borrow because we have to satisfy 34 million people and we are engaged in the sophisticated development of our country. There are 135,000 people in our universities, and, as you know, university studies are free in this country. But other oil-producing countries do not know what to do with their money and they could certainly cut down on production. However, if we do this, then there would be a great outcry from the West, that this is another kind of embargo, a hidden embargo. They will say that this is going to ruin their economies, that it will create millions and millions of unemployed people and who is going to pay for them. Whatever we do, you are going to comment on anyway, because you do not have the leadership; by you, I am not referring to the United States; I am referring to the industrialized world. You do not have leaders who will turn to the people and say, regardless of whether they are going to be voted for in the next election: "This is for your good, you must do it."

**Chief Executive** You are saying that for political reasons foreign leaders are not willing to handle the energy issue.

**Shah** Yes, but this is your problem. You have chosen this way of life and believe that you are wonderful, sinless and fantastic, and you gibe at others whilst you cannot even take these important decisions for your future.

**Chief Executive** Given the fact that the Western world is not able to take certain important decisions, do you

feel obliged to take some of these decisions for them?

**Shah** Then you will call us the destructor of the present world civilization because we are denying you what you need. In my case, I need the money but others could reduce production and control oil exports. However, if this were to happen someone would say: "Let's get rid of these people. Let's go and occupy that land." This has been printed in your papers; it is not my imagination.

**Chief Executive** Do you consider occupation by another country to be a serious threat?

**Shah** No. Not really, but they are talking about it. Have you read that crazy book by Erdmann? ("The Crash of '79")

**Chief Executive** Yes I have read it.

**Shah** He writes anything he likes, regardless.

**Chief Executive** But there are some elements in that book which have a ring of truth.

**Shah** Well, obviously there is always a small element of truth in the biggest lie.

**Chief Executive** Well, isn't it dangerous when all the money in the world shifts to a relatively small group of people and the industrial world depends on Middle East oil, with the potential of chaos if it were cut off and the use of atomic energy for other than peaceful purposes?

**Shah** Yes, well, that is possible. However, the oil producing countries cannot put their oil revenues in their own banks. They will have to place it in the United States or somewhere else. One fine day we are going to wake up and find out that all these assets have been nationalized.

### World Oil Clearing Bank

**Chief Executive** Could this be avoided by a formation of a world oil clearing bank which gives the producing countries credits for the purchase of goods and services in the consumer countries. This at least would avoid concentration of oil revenue in one single currency only. Would you be willing to consider the implementation of such a scheme?

**Shah** If it is proven practical, why not? I have even proposed to many people the barter of my oil for goods. At the beginning some people were a little hesitant. Now I see that there are more and more nations in agreement with this idea, especially the Europeans—even the Americans. This could be a salutary new development for some economies which have to export like Britain, France and Italy. It will alleviate all the burdens and exchange in the foreign exchange currency situation. Now we sign contracts for barter deals daily. If I am ready to do this, it means that I am not just depositing the oil revenues into the banks, I am using the money for the country, for its needs. But you asked me the question if we should take measures not to produce more than a certain amount of oil to force the consuming countries to find other sources of energy. It would depend on what period of time we would have to reduce our output of oil and what would be the extent of the reduction. It is projected that by 1990 the oil needs of the United States will be

almost 80% more than what it is today. Just imagine. It will be impossible to meet such a demand with the known resources of the oil in the world unless the United States starts with the extraction of oil from shale.

**Chief Executive** Aren't there horrendous problems associated with the production of oil from shale — cost, for one?

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#### **Oil Underpriced**

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**Shah** That is why we say the price of oil is underpriced and the only real alternative is to find new sources of energy because if we cut back, this may freeze the whole world economy. I once stated that the statesmen in the Western countries should dare to go to the people and say: "Look, our standard of living is far too high; it would be in the interest of society and of our future to bring it down. It is permissive, unwise and unfounded and so far based largely on the exploitation of other people's reserves." Not so much the Americans because they have all the wealth themselves, But the development of the Europeans was based uniquely on the exploitation of other people. This cannot be continued in the future because of the emergence of the third world, etc., whilst other influences are creeping in such as Africa. Can the Western countries produce politicians who are able to go to the people and to the polls by saying that we have to bring down, to lower the standard of living we are used to, as it is based on an unfair position? I wonder. The standard of living would undoubtedly come down if we freeze our oil production. However if in the meantime an understanding could be reached that the United States would develop new sources of energy, perhaps the oil producing countries who do not know what to do with the revenue would be willing to invest it in the discovery of these new sources of energy. Why not, it is an assurance of their future, it would bring money back to them and they are not going to waste and spend all that money just on luxury hotels or whatever. This will help to solve the energy crisis in the whole world. It is not just for the United States, it will be for the entire humanity. This is one way of approaching the crisis, the other would be for the consumer nations to stop wasting the precious stuff.

**Chief Executive** That may take a crisis itself.

**Shah** A crisis, Oh! Oh! ..... just people realizing that energy is no longer in plentiful supply.

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#### **Oil Company Profits**

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**Chief Executive** The public is of the opinion that the shortage of oil and the increase of the cost of energy has been brought about by the major oil companies who want to make more money. This misconception at the consumer level will have to be corrected first before people will realize that a real energy crisis exists.

**Shah** Well, to some extent that is true. On the other hand, the Saudis are charging 5% more for their oil whilst we are charging 10% more, but gasoline at the consumer level is not sold at two different prices — there is only one price. The difference goes into the pockets of

the oil companies, obviously.

**Chief Executive** The oil companies average out the cost of the more expensive oil with the cost of the less expensive oil and the average increase of about 8% is passed on to the consumer.

**Shah** But the money goes into the pockets of the oil companies anyway. They have inventories and means to manipulate prices by deliveries of heavy crudes to nearer destinations whilst lighter crudes find their way to further countries.

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#### **Two Tier OPEC System**

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**Chief Executive** If, on an average basis, the oil price increase is only 8%, wouldn't it be logical to go back to a uniform OPEC price base, rather than continuing the present two-tier pricing system?

**Shah** But why should we care? We are selling our crude in spite of the 10% price increase more than ever before.

**Chief Executive** Don't you think that it is somewhat of a surprise to the oil industry, especially that the higher priced oil is selling as well as it is right now?

**Shah** Does that surprise you?

**Chief Executive** Yes.

**Shah** Well, the demand is increasing, the United States and Europe had a bad winter, and again next year there will be an additional demand as the consumption is expected to go up.

**Chief Executive** Are you going ahead with your 5% price increase on July 1st?

**Shah** That depends. We were ready to level it out at 10% throughout the year.

**Chief Executive** Will Saudi Arabia go along with that?

**Shah** We shall see. Maybe the Saudis will propose an even higher price increase in July.

**Chief Executive** The 5% price increase of Saudi Arabia was clearly for political reasons. Do you think that they may give up their price stand in absence of a solution of the Middle East problem?

**Shah** They just do what they are told.

**Chief Executive** What is the possibility that in July the price will go up by a further 5%?

**Shah** Well, I cannot speak for all OPEC members, but so far we have always been the voice of reason in the middle. Who knows, perhaps our reasoning will prevail in achieving a unified price. Otherwise we do not care, really.

**Chief Executive** Do you think that a two-tier pricing system could last for a long time?

**Shah** It seems so. If the Saudis want to lose money, yes.

**Chief Executive** Do you think that the two-tier pricing system has weakened OPEC's reputation?

**Shah** Not really. We have to admit that it is one country against the rest. The United Arab Emirates do not count.

**Chief Executive** When we met with the National Ira-

CHIEF EXECUTIVE

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## Face to Face

An Interview with the Shah of Iran

nian Oil Company last month, they told us that you were very personally involved with the running of the company.

**Shah** Oh yes, I take the decisions.

### Downstream Marketing

**Chief Executive** Do you feel that you should get involved as a producing country in the downstream marketing of oil?

**Shah** That has been our opinion for a long time. I think that it creates a growing bilateral interest between producer and consumer countries. If I would have downstream operations in Belgium or France, I would be interested in the Belgians or French purchasing the products produced by my downstream facilities. In order to be able to do so they must have a sound economy. So I cannot be only interested in selling my oil at a certain price whilst the rest of the economy of that country is in shambles.

**Chief Executive** When considering downstream operations, what degree of involvement do you consider appropriate for your country?

**Shah** Downstream operations to us do not represent only retail activities. The downstream aspect we are particularly interested in is the petrochemical industry, this is what I call downstream. Shipping and transportation are very easy. We have a tanker fleet now and the agreements we sign with the oil companies for the sale of our oil include that first choice will be given to our own tankers.

### Oil Transshipment Terminals

**Chief Executive** Would you be interested in participating in VLCC crude oil transshipment terminals conveniently located *vis à vis* consuming areas, such as Europe, Japan and the United States?

**Shah** That is a matter for study and consideration. We have already started to examine the feasibility of such a project some time ago. Much will depend on regulations and if the United States for instance will permit imports from transshipment terminals into the United States. There are doubts about the long-term viability of such projects. Offshore oil production near consuming areas and oil from shale can drastically change the current flow of all oil movements around the globe, especially because there are such fantastic reserves of shale oil within the United States. However, extraction will not be cheap and certainly more expensive than the extraction of coal on a cost per B.T.U. basis.

### Coal

**Chief Executive** If the cost of oil is compared with the value of coal on a B.T.U. basis, 12000 B.T.U., 1% sulphur steam coal in the United States should sell as high as \$60 per ton. The present market price, however, averages only \$23 per ton. There appears to be a lot of upward potential for the price of coal if it were not for the environmental problems associated with the coal pro-

duction, the transportation problems and the low B.T.U. value of the Western United States coal. The Utilities in the United States may require stronger pressure from the Government to convert from oil to coal.

**Shah** What about gassification of coal?

**Chief Executive** The United States consumer is used to natural gas, which has a much higher B.T.U. value than the gas from coal is able to provide. We think that if you look at the energy program introduced by President Carter, it is pretty clear that the reliance on oil is going to continue for quite some time.

**Shah** Yes, we know that, but anyway there will be an end to the oil reserves. You just cannot count on it that it will be available forever—that would be irresponsible. Gassification and liquefaction of coal should be considered and the environmentalists should realize that you cannot have a perfect solution.

**Chief Executive** The only commercial liquefaction plant of oil from coal is operating in South Africa. The capital costs associated with plant and equipment appear to be staggering and run into billions of dollars. Like the production costs of oil from shale, the production costs of oil from coal compare unfavorably with the present oil prices.

**Shah** The advantage of utilizing domestic resources is that you cannot be threatened by being cut off from supplies—I refer to the United States, and there will not be any significant transportation costs. The Exxon studies mention a cost of \$20 to \$25 per barrel for liquefaction of coal.

**Chief Executive** What impact will this have on the cost of energy?

### Fusion

**Shah** That will depend on how many other alternative energy sources can be developed at the same time. Fusion, for instance.

**Chief Executive** Don't you think that that is a bit down the road—maybe as much as 10 to 20 years?

**Shah** I think 10 years, starting 10 years from now. Also, do not forget the contribution from atomic energy. We are going atomic all the way. We do not have the environmental problems, and we are building our plants in fortunately or unfortunately deserted areas. There are certainly many options available to solve the world's energy problems. I wonder, however, if the consumer countries will have the courage of taking the right decisions. I wonder.

**Chief Executive** Maybe the energy crisis will have to escalate further until the public will understand that there is a crisis and then the politicians will be able to take decisions which are necessary to end the crisis.

**Shah** In the meantime they will call us savages, they will call us greedy people and all kinds of names. For 4 years now I have been attacked, unjustly I think, in the United States by their press for just that. It all seems to originate from oil and the Jewish lobby in the United States.



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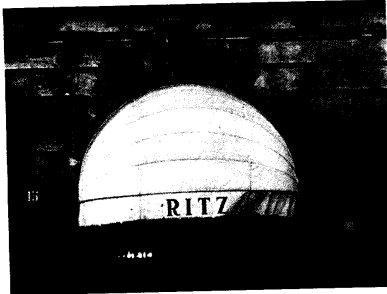
# HEMINGWAY'S PARIS



A. E. Hotchner

A. E. Hotchner has written seven books two of which were bestsellers, is the author of a Broadway play and is well known as an outstanding biographer and closest friend of the late Ernest Hemingway. His book *Papa Hemingway* gained him world acclaim.

*In a manner of speaking, for Ernest Hemingway Paris was the Ritz Hotel, and vice-versa. In the early days, of course, when he was poor and struggling, Ernest lived in furnished rooms on the Left Bank, but even then his good friends, Scott Fitzgerald and others, were staying at the Ritz and Ernest came often to the Ritz to visit them.*



*With the success of THE SUN ALSO RISES and A FAREWELL TO ARMS, both written in Paris, Ernest was able to make the Ritz his home and from then on he never lived anywhere else when he came to Paris.*

Toward the end of World War II, when Ernest was in command of a band of stragglers whom he called his "Irregular Troops," it was Ernest at the head of this little group who was credited with being the first Allied unit to enter Paris.

Ernest and his boys had already liberated the Ritz Hotel and were properly celebrating the event with magnums of champagne at the bar when General Jean Leclerc came marching into Paris with what he thought was the first expeditionary force.

Robert Capa, the famed combat photographer, had once told me about Ernest's Irregulars and the way they "took" the Ritz Hotel. Capa had travelled with them for a while and found that the men had a hard time believing that Ernest was not a general, because he had a public relations officer, a lieutenant as an aide, a cook, a driver, a photographer and a special liquor ration. Capa said that the unit was equipped with every imaginable American and German weapon, and that he had the impression they were carrying more munitions and alcohol than a division. Capa was with them for only a short time. Much later when he came zipping into Paris in a jeep, sure that he was miles ahead of anyone else, he pulled up at the Ritz and found he was face to face with Archie Pelkey, Ernest's driver, who was standing guard at the Ritz entrance, a carbine slung over his shoulder. "Hello, Capa," Pelkey said. "Papa took good hotel. Plenty good stuff in cellar. Go on up."

When Ernest and I were in Paris, we went to the Auteuil steeplechases when they were in session, always convening before the race in the Little Bar of the Ritz at noon. While Bertin, the maestro of that *boite* made us his

non-pareil Bloody Marys, we would study the form sheets and make our selections. Ernest used to say that the racing form was the true art of fiction. Bertin was an indefatigable student of the track, more occult than scientific, and on one occasion he handed Ernest a list of eight horses which he had brained out as winners of the eight races on the card that day. Ernest studied the list and said, "Okay, tell you what I'll do, Bertin— I'll bet ten thousand francs on each and we'll split the winnings." All of Bertin's horses ran out of the money, but when we returned that day Ernest gave Bertin five thousand francs. "One of your horses got scratched," he told him, "and we saved the loss."

*I do not expect ever to duplicate the pleasure of those Paris steeplechase days. The Degas horses and jockeys against a Renoir landscape; Ernest's silver flask containing splendidly aged Calvados; the boisterous excitement of booting home a winner, the glasses zeroed on the moving point, the insistent admonitions to the jockey; the quiet intimacy of Ernest's nostalgia.*

On days when there was no racing at Auteuil we went on excursions around the city. One cold December afternoon, with the sky a low canopy of gray muslin and the insolent wind slapping the last of the leaves off the trees, we made our way up the Montmartre hill to the Place due Tertre. No tourists, no post cards, not an easel anywhere. At one corner of the square, where the Rue Norvins starts, was Au Clairon des Chasseurs, the old restaurant where Ernest had sometimes eaten, when he had money to eat, during his early Paris days.



After a fine lunch, we made our way down the narrow streets leading away from the restaurant, trying to side-slip the cutting wind; we passed a bookstore and Ernest stopped to inspect the contents of the window which prominently featured copies of a recently published book by a young writer. On the window was a sign that read: "All Signs Point to a Brilliant Future for this Author."

"You ever read this bird?" Ernest asked.

"No," I replied.

"Well, I have," he said. He took a pencil from his pocket and wrote across the bottom of the sign: "All signs wrong."

*Ernest wanted me to see the neighborhood where*

CHIEF EXECUTIVE

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*he had first lived; we started on Rue Notre-Dame-des-Champs, where he had lived over a sawmill, and slowly worked our way past familiar restaurants, bars and stores, to the Jardin du Luxembourg and its museum, where, Ernest said, he fell in love with certain paintings that taught him how to write.*

On another day that the nags were resting at Autueil, Ernest and I walked across the Pont Royale to have lunch at the Closerie des Lilas, which was another of Ernest's fondly remembered haunts. On the way, Ernest stopped to study a row of buildings. "In the basement of one of these buildings," he said, "was the best night club that ever was—Le Jockey. Best orchestra, best drinks, a wonderful clientele, and the world's most beautiful women. Was in there one night when the place was set on fire by the most sensational woman anybody ever saw. Or ever will. Tall, coffee skin, ebony eyes, legs of paradise, a smile to end all smiles. Very hot night but she was wearing a coat of black fur, her breasts handling the fur like it was silk. I introduced myself and asked her name. 'Josephine Baker' she said. We danced nonstop for the rest of the night. She never took off her fur coat. Wasn't until the joint closed she told me she had nothing on underneath."

Ernest gave his full and serious attention to the antiques on the Rue Bonaparte for the rest of the way to the Closerie, where we settled ourselves comfortably in the dim, quiet bar. One of the barmen remembered Ernest but everyone else was new. "James Joyce came here with me a few times," Ernest said. "Joyce really enjoyed drinking, and those nights when I'd bring him home after a protracted drinking bout, his wife, Nora, would open the door and say, 'Well, here comes James Joyce, the author, drunk again with Ernest Hemingway.'"

Ernest sat quietly, sipping his Pernod and thinking about Joyce, and then he said, "He was mortally afraid of lightning."

Ernest ordered another drink. "I lived in a flat near here," he said, "and was very happy there and had no trouble until Scott Fitzgerald came to visit me. Scott was staying at the Ritz, as usual, but he'd sometimes come over to visit me. We had some drinks and Scott became animated and began stripping off the wallpaper, which was old and starting to peel. I begged him not to because,

as always, I was behind in my rent, but Scott wouldn't listen. The landlord made me pay for repapering the entire room. But Scott was my friend and you put up with a lot in the name of friendship."

"But how can you say Fitzgerald was your friend when he behaved like that?"

"Well, I was speaking of our overall relation and in that respect he certainly was a loyal and devoted friend. He helped me get my start as a writer—in fact was instrumental in getting my first story published. But he did do some outrageous things. Like the day he decided he would go by taxi to Le Havre. There was a taxi driver who always parked outside the Cambon entrance of the Ritz. Scott summoned him for the Le Havre journey, then when they arrived there Scott was seized with a brilliant idea. He had just purchased a new Hotchkiss which was being loaded on the boat; what better than to have a true Frenchman drive it in America. The taxi driver pointed out that he spoke no English and had no clothes or passport with him, but, as usual, Scott's enthusiasm and persuasiveness prevailed and the poor driver abandoned his taxi at the dock; some kind of temporary papers were issued, enabling the driver to debark. From then on, it used to be difficult getting a taxi on the Cambon side of the Ritz."

*I suppose what Ernest primarily liked about the Ritz was the protection it afforded his privacy. Also, the intimacy of its service. The employees of the Ritz are truly there to serve the clients, always present but never intruding. Ernest considered several of the Ritz staff to be his friends, and he trusted them—with Ernest trust was a precious commodity.*

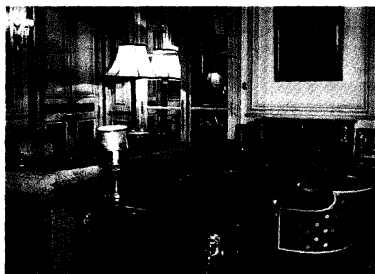
*Then, too, Charles Ritz was one of Ernest's oldest and closest friends. They loved to talk fishing and hunting and honestly admired each other. I was present on the day that Charley Ritz discovered that Ernest had left a trunk in the hotel basement that had gone unnoticed for twenty years. We opened the trunk and in it was a treasure trove of manuscripts, in fact some of the material which later was to constitute a major part of one of Ernest's most successful books, A MOVEABLE FEAST. This book, published after Ernest's death, was a series of reminiscences of Ernest's Paris days. In my opinion, it is the best book about Paris ever written.*

It was I who gave the book this title, which I took from a statement Ernest once made to me. I had been wondering whether I should give up my job in New York and go to Paris to live and try to become a writer. I asked his advice, "Well, it's tough advice to give," he said. "Nobody knows what's in him until he tries to pull it out. If there's nothing or very little, the shock can kill a man. Yet, there's this to consider as a guide, since it's a thing I truly know: If you are lucky enough to have lived in Paris as a young man, then wherever you go for the rest of your life it stays with you, for Paris is a moveable feast."

I took his advice. I went to live in Paris. I did become a writer and, like Ernest, I now stay at the Ritz. There's no doubt about it—Paris is a moveable feast.

The most magnificent royal suite in Europe—Suite "A and B" at the Ritz Hotel, Paris.

In his earlier days Hemingway stayed in a double room and while his wife slept late, he would go into the bathroom, one of the Ritz' large ones and write on the toilet paper. It was in a Ritz bathroom that his celebrated "Poem to Mary" was written while she was asleep in the other room.



# SPEAKING OUT

**John D. de Butts**  
Chairman, American Telephone  
and Telegraph Company

Business leaders have watched with dismay as poll after poll has confirmed a steady decline in the public's confidence in the earnestness with which business pursues its professed aim of service to the public and a decline as well in the authority with which business speaks in the nation's councils.

It is insufficient, I think, simply to bewail these trends. Rather must we decide what to do about them—and do it.

First and foremost, we must address ourselves un-

stintingly to minding our businesses well.

Secondly, we must make it unmistakably clear that in the conduct of its affairs, business will content itself with nothing less than the most scrupulous standards of truthfulness and fair dealing.

And thirdly, we must speak out for what we believe.

Five years ago, when I became chairman of AT&T, I vowed that the Bell System would not lack for a visible spokesman. Ours would not be a faceless enterprise.

I would be less than candid were I to assert that living up to that vow has been a uniformly comfortable experience. For one thing, it has been time-consuming. In the past year alone, I have given more than three dozen speeches. I have testified twice before Congress. I have spent about 100 hours in news media interviews. How-

**Speaking Out**  
John D. deButts

## “WHAT RIGHT, SOME ASK, DOES BUSINESS HAVE TO MEDDLE IN THE NATION’S PROBLEMS?”

ever, I do not begrudge the time I’ve spent in these activities. I accept them as an integral—and high priority—part of my job.

Personal spokespersonship is not only time-consuming, it is risky. In the public arena, a chief executive officer’s views do not carry the same authority they do in the executive suite. Reporters delight in asking untimely questions—that’s their job—and in Congressional hearings one’s convictions must face the test of rigorous interrogation. But to change the convictions of others, we in business must be ready to run the risk that not all of our convictions will prevail. I know that over the past five years not all of mine have. I trust, however, that on those issues on which I have spoken out the answers that eventually emerge from public debate, even though I might not fully concur in them, will be sounder answers for my having done so than if I had not.

My friend Irving S. Shapiro, chairman of E.I. duPont de Nemours, puts the challenge to businessmen this way: “There’s a job to be done and you can’t do it sitting in your office.”

Mr. Shapiro is chairman of a unique organization of some 170 chief executive officers called The Business Roundtable. The Roundtable was created five years ago when a number of chief executive officers of leading American corporations decided that action had to be taken to combat the decline of confidence in business. We knew that something had to be done to bring business points of view to public policy discussions on the nation’s problems. In order to give business a more authoritative voice, we concluded that we chief executive officers—rather than delegating the task of representation to our public affairs officers—had to take an increased *personal* role in spokespersonship and problem-solving and that our contributions to public policy questions had to be constructive and factual.

What right, some ask, does business have to meddle in the nation’s problems? The same right—and the same obligation—that belong to any body of the nation’s citizens—the right to speak out when our interests are affected, the obligation to help when we have the skills and resources to do so.

The kinds of issues The Roundtable addresses are the ones you read about in the newspapers every day—matters such as energy, inflation, unemployment, taxation, the environment and consumer protection. We try as best we can to anticipate developing issues, not so much those far out in the future, but those near-term, perhaps no more than two years or so away. When an

issue we think we can help solve comes to our attention, or at least where we have a point of view that should be considered, we assign a task force to study the problem. Each task force is under the leadership of one of the chief executives on The Roundtable.

Using the resources of their own companies, task force leaders develop position papers on the issues, which are then circulated and discussed among Roundtable members in an effort to, as far as is possible, come up with a Roundtable point of view. Although we strive for unanimity, that is not always possible, considering the divergent interests of Roundtable members. However, it has been heartening to see the extent to which even those of us with sometimes-conflicting views can reach a consensus of major public issues. A case in point is The Roundtable’s position paper on energy. Roundtable members, consisting of major energy producers as well as large energy users, reached an agreement broadly outlining policies they felt to be in the best overall public interest.

Developing a Roundtable policy is, of course, just the first step. We then disseminate the policy to all Roundtable members. Frequently, we try to make the public aware of our position through the news media and our own personal spokespersonship. Most important of all, we try to make sure our position is known where it counts in Washington.

The Roundtable has a two-man staff in Washington to present our views and to provide background to lawmakers if need be. Mostly, however, the job of representation is undertaken by the members of The Roundtable themselves. Many of us on The Roundtable have testified before Congress, either on behalf of our own companies or The Roundtable, on such crucial issues as national health policies, taxation, unemployment and environmental problems.

In working with Congress, The Roundtable strives to be constructive, not obstructive. Reasonable men, when considering such areas as the ones I have mentioned, agree that solutions must be found. Where reasonable men may differ is on the appropriate solutions to such problems. What The Roundtable aims for are workable legislative solutions, ones in which all the ramifications have been carefully considered. Oftentimes, when Congress’ attention is called to the prospect of unanticipated and unintended problems that might arise from otherwise socially desirable legislation, they are willing to correct those problems, while still attaining the same goal. The Roundtable realizes that the time

**"IF WE REMAIN HIDDEN AWAY IN OUR OFFICES,  
THERE IS NOT THE LEAST HOPE WE WILL EVER  
BANISH THE SUSPICIONS THE PUBLIC HARBORS  
ABOUT BUSINESS."**

to present such facts, in a constructive manner, is while legislation is being formulated. Once it has passed, it is too late.

One of The Roundtable's accomplishments of which I am particularly proud is our effort to help create reasonable, workable federal foreign anti-boycott legislation. In this highly emotional issue, The Roundtable acted as a focal point for the views of business, the government and three Jewish groups, the American Jewish Committee, The American Jewish Congress and the Anti-Defamation League of the B'nai B'rith. After extensive discussion, The Roundtable reached agreement on five amendments to the anti-boycott legislation. President Carter subsequently said he "can strongly recommend Congressional approval for that language."

As this is written, a Senate-House conference committee has reached agreement on an anti-boycott bill. While it may not meet the perfect satisfaction of any one of the parties to the development of this legislation, I feel it will be a better law because of The Roundtable's involvement in that development.

As with any compromise, the proposed amendments did not fully satisfy the interests of all parties. But thanks to the cooperation and reasonableness of all sides, pragmatic alternatives were reached, alternatives representing not only the interests of business and the Jewish groups, but our national interest as well.

Roundtable Chairman Irving Shapiro said all parties to the agreement felt it was important to develop "a national consensus" on the issue. "The subject is a highly controversial and emotional one," he said, "and it was clear that neither the beneficial aspects of this vital legislation nor the national interest would be well served by extended confrontation and divisive Congressional debate."

I believe that the responsibility—and statesmanship—demonstrated in this instance is indicative of the kind of committed chief executive officers we have on The Roundtable, people who are personally involved in speaking out for business and in solving crucial problems. It has been an encouraging beginning.

It is encouraging because we in business do have a good story to tell, one of which I am personally very proud. Despite the present disrepute of business, I think we all know that most men and women in business are earnestly committed to doing the very best job for the public they know how to do.

We have a good story to tell because of what business does for our country, rationally organizing its re-

sources and energies in ways that, while it may falter sometimes, make our economy the strongest on earth.

And what we have to tell includes the message that now, more than ever, our society needs the disciplines that business teaches—the need to match our aspirations to the resources available to fulfill them, the need always to seek the elusive balance among competing interests that, while it might meet the perfect satisfaction of nobody, will best serve everybody.

I firmly believe that today the chief executive officer who doesn't recognize his responsibilities for spokespersonship on behalf of his enterprise—and business in general—fails in what may be the first responsibility of his job. For if we do not hold ourselves open to reasonable public inquiry—if we remain hidden away in our offices—there is not the least hope we will ever banish the suspicions the public harbors about business.

The Roundtable is one example of what can be done. We have committed ourselves to engage in the arduous contest of ideas and interests and values by which Americans make up their minds on matters of public policy. Only if all businessmen are ready to speak up for what they believe and to test their convictions against the convictions of others—however discomfiting this might be and even at the risk of being wrong—can we assure ourselves that what is declared to be in the public interest really is.

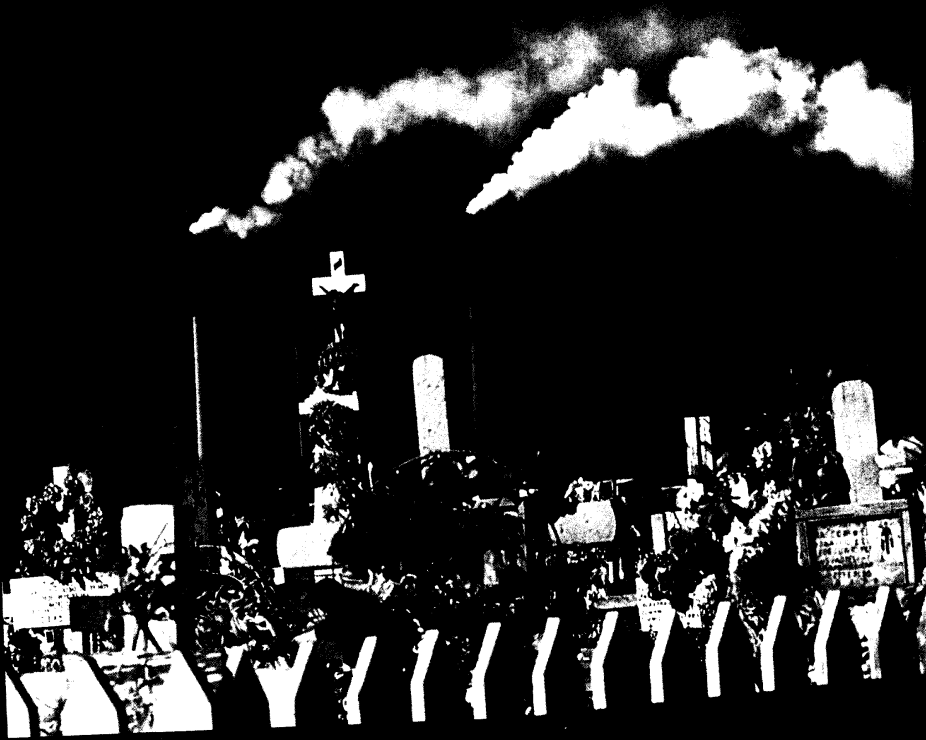


John D. DeButts

CHIEF EXECUTIVE

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# THE RESURRECTION OF OUR MEXICAN ECONOMY



**JOSÉ LOPEZ PORTILLO  
PRESIDENT OF THE  
REPUBLIC OF MEXICO**

I am grateful for the opportunity the editors have given me to present some ideas regarding problems that are viewed with concern by friends of Mexico who are readers of this novel publication.

At the end of 1976 the Mexican economy resembled a basically healthy patient, but one who had lost confidence in himself and whose vital signs were responding discordantly. There was no need to operate — what was needed was recuperation.

I asked for time, and the people of Mexico gave me that time. Recognition is due, too, to the world financial community, which has also shown its understanding.

It is a privilege to be charged with handling the crisis. Men and women alike are showing their willingness to strengthen the bonds of human solidarity and to create a better future for their children.

Financial and economic reconstruction has diverse aspects, some domestic and others international, but all interdependent. I have termed this joint effort the Alliance for Production.

#### **THE ALLIANCE FOR PRODUCTION**

That Alliance is aimed simultaneously at increasing production of what is truly essential and at improving the distribution of the results of our collective effort. Distribution "in dribbles" — that is, the primary accumulation of products in the hands of a few for distribution at some later, and invariably unspecified, date — is unacceptable.

The Alliance has met with complete understanding on the part of many entrepreneurs, with whom agreements have been made concerning new investment and employment opportunities in various regions of the country. Organized labor has provided the Alliance with the basic foundations for its anti-inflationary struggle by accepting a wage increase of 10% as a general standard.

During the first three months of this year the economic situation has begun to show signs of overcoming the adverse trends. Price rises are becoming moderate; the intake of savings by the banking system is beginning to show positive results; tourism is demonstrating considerable vitality thanks to an appreciable increase in the

number of visitors and rising utilization factors in the hotels; exports are benefiting from our newly competitive position and, in the case of a number of natural products, from rising prices; and finally, important new projects are being launched by private investment, in contrast to the stagnation observed in the recent past.

But we should not lose sight of the fact that the situation is still a difficult one. Mexico, like most mixed-economy countries, is caught in the vicious circle of simultaneous inflation and recession. There is no easy solution; unemployment is an obvious sign of social failure and the exaggerated rise in prices impairs the distribution of income and encourages speculation.

Mexico's basic problem has always lain in the fact that its productive structure has traditionally been incapable of providing the labor force with permanent and well-paid employment. The gravity of our short-term financial problems and the necessary reduction of inflationary pressures call for serious sacrifices on all our parts; but those efforts are given meaning by their prospects for a substantial medium-term improvement made possible by our resources and capacities.

Unemployment in this country is conditioned by a young and rapidly growing population. Mexico now has 62 million inhabitants, 40% of whom are under 15 years of age. The current labor force is composed of 16 million persons. In spite of efforts made to lower it, our population growth-rate is still among the highest in the world. This administration's goal is to lower it from its level of 3.6% at the beginning of this decade to 2.5% by 1982.

Industrialization and migration to the cities have reduced our rural population from a level of 65% in 1940 to 37% in 1977. But in absolute terms the rural labor force is still increasing, and this poses grave problems of increased pressure on arable lands and increases emigration to the United States.

#### **WE WILL PAY OUR BILLS**

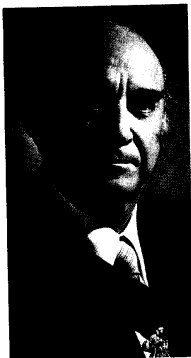
A certain disquiet has been expressed in international financial circles regarding the Mexican economic system's ability to make opportune payment of the service charges on its public and private foreign debt.

CHIEF EXECUTIVE

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## The Resurrection of Our Mexican Economy

José Lopez Portillo



President Lopez Portillo

Our payment capacity is assured. Our current account balance of payments has improved. During the first quarter of 1977 the deficit was 300 million dollars, which is equivalent to a reduction of 50% in the level registered during the same quarter of 1976. Our total exports increased by 35%, while there was a drop in our imports of 20%. There has been a notable increase in tourism to Mexico, while at the same time the higher price of the dollar to our citizens has drastically reduced spending by Mexicans in other countries.

Furthermore, Mexico possesses substantial quantities of natural resources and has great potential in such fields as fisheries and tourism.

### OIL AND GAS

Although most mineral resources have not been fully exploited, prospecting continues to increase the volume of proven reserves. The most recent example of this is the discovery of large oil and gas deposits in the states of Tabasco and Chiapas.

The Golyer & MacNaughton firm is analyzing our oil reserves, which at present amount to 11 billion barrels. Potential reserves, however, may considerably increase that figure, whose actual level will soon be known thanks to the exploration program undertaken by *Petróleos Mexicanos*, the government company in charge of Mexico's oil production. Our present production of one million barrels daily will rise to 2.25 million barrels in 1982, and exportable surpluses will rise from 150,000 to 1.1 million barrels per day by that date.

But Mexico also has other mineral resources suitable for international trade. We are among the six most important producers of silver, fluorite, celestite, sulphur, graphite, antimony, arsenic, baryta, bismuth, mercury, lead and zinc. Coal, iron, manganese and copper are also produced.

Our potential fishing wealth is also considerable. Mexico has 10,000 kilometers of coastline bordering the Gulf of Mexico, the Pacific Ocean and the Caribbean Sea. Coniferous and tropical wood forests cover 34% of the total land area.

### PROBLEMS WITH THE UNITED STATES

Several latent problems exist with regard to the United States; both countries, however, are well disposed toward seeking viable and timely solutions.

During my recent visit to the United States I spoke with my friend, President Carter, about viewing relations between our countries as a whole, and not, as has been the case so far, in an isolated and sometimes contradictory manner. We agreed to tie all aspects of the problem into a single "package" covering employment, investment, trade, illegal trafficking of drugs and so forth.

Let us consider an example. Because of our stage of development, Mexico has no unemployment insurance. Consequently, in times of reduced economic activity the pressures leading to emigration to the world's richest market increase. Obviously, that influx of manpower

creates problems in the United States, and a suitable and viable solution must therefore be sought.

One means would be to stimulate investment in Mexico in order to create jobs directly in this country, but since such investment results in the remittance of profits in foreign exchange, that exchange must be earned by means of exports so as not to subject our balance of payments to unbearable pressure. Therefore, United States trade restrictions are not justifiable even on their own terms, since their overall direct and indirect effect is probably to worsen economic and social problems in the United States itself.

### PETROBONDS

We are convinced that international cooperation is valuable, but that essential matters must be decided at home. In order to rebuild the financial savings resources needed to stimulate the new investment that is instrumental in creating jobs, there must be discipline in public and private spending, and incentives to save must be strengthened. We are determined to achieve this by adapting our structures for attracting savings and adjusting our interest rates to the new floating exchange rate, with special emphasis on the creation of such new instruments as *Petrobonos* (oil bonds), which bear denominations in pesos but are associated with barrels of crude oil, and which will be placed on the market shortly\*, silver certificates, inasmuch as Mexico is the leading world producer of this metal; and the minting of silver coins.

In the present financial crisis foreign investment enjoys a special advantage, since it provides risk capital, an element that has always been scarce in Mexico and is even more so today. Our laws in this field are designed to conciliate interests in a climate of understanding and mutual advantage. Both foreign and Mexican firms are participating in the agreements drawn up for the Alliance for Production. Our laws are not restrictive; rather, they avoid abuses, and that is something that interests the Government and foreign and national businessmen alike.

In many material and cultural aspects, Mexico is a privileged country. It is already one of the few countries which are net exporters of oil, and it has an enviable potential in this field. It will soon become self-sufficient in food, so that it will not have to depend on speculative alterations in the world market.

A neighbor and friend of the most powerful country in the world, with coastlines on the Gulf of Mexico, the Pacific Ocean and the Caribbean Sea that afford a great potential for tourism and fisheries, Mexico offers industrial development a guaranteed supply of energy and a broad and growing domestic market.

What is most fundamental is our will to do things well and to do them in time—to live in the present, but with a view to the twenty-first century.

\*Bearer securities in 1,000 peso denominations, at three years and at 7 percent annually. This return will be deducted from the capital returns on changes in the price of oil.





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*Marshall B. Coyne, Proprietor*

Symbiosis is a curious relationship. It is defined as the intimate living together of two kinds of organisms whereby such association is advantageous to each. It seems to me that journalists and business leaders are bound together in just such a relationship.

Newspapers, broadcasting outlets and networks survive on the advertising revenues that come from business. Journalism can thrive only so long as the business community remains healthy enough to provide these funds. Business, on the other hand, depends upon journalism to foster its own growth—through the dissemination of information through news and advertising.

Why, then, do business leaders so often seem to be unaware, uncaring, or even supportive, of attempts to limit freedom of the press? Why are they so hesitant to supply information that enables the press to remain a healthy force in American life? The answer is clear: Most Americans pay lip service to a free press, and, indeed, believe in it sincerely—*until* it threatens their own economic well-being.

I am reminded of a time that I had the pleasure of lunching with the chairmen of seven of the nation's major corporations to discuss some of the problems of business and the press.

One, an insurance man, was enraged over one network's report on private pension programs. He called it "a distorted picture of the problems therein." They certainly had a right to report the matter, he noted, and then added: "But I do think there ought to be something we could do about television programs like that."

A representative of the lumber industry complained that we overemphasize, presumably by merely reporting, the clear cutting of the nation's forest reserve. A mining industry executive complained similarly about our reports on strip mining.

An automobile manufacturer told me that we certainly ought to report on auto safety problems, "but you give too much time to those crackpots like Nader."

Each of those men believes, quite sincerely, that it would be better for him, for his company, if not so much were said about their problems, if somehow some restraint could be imposed on the press in dealing with such matters.

**Where Are You,  
Mr. Chairman?**

**The Problems  
Chief Executives Have  
with the Press  
(and Vice-Versa)**

And yet, I daresay the auto man is fascinated by the problems of clear cutting, strip mining, and private pension schemes as exposed by the daily press. Indeed, having learned of the problem, he may also discover a solution that could be of value and profit to him.

Also the reports on other people's business or competitors in one's own business would be valueless if the reputation of the press was that it pulled its punches or distorted its reporting to please any special interest. Without a totally free press the intelligence every business needs in order to compete and prosper would be denied it.

The press's biggest problem in dealing with big business is reaching an authoritative and quotable executive. When a large company comes under attack for one reason or another, and we try to reach top executives for comment, we find they are usually unavailable. They seem to hunker down and depend on usually most uninformative responses from the public relations department that can be summed up generally in either two lines — "The company denied the charges," or "A company spokesman said the charges are under study."

It is understandable that in the complex labyrinth of corporate structures senior executives are anxious to have their public statements approved by their management committees or their boards before sticking their necks out on sensitive issues. But they should understand that this denies them immediate access to the media so that their response to unfavorable stories can share the same news period (the same broadcast or the same newspaper edition) as the original charge. The second-day story is never quite as effective.

It would be well if executives studied this public relations matter in advance and had a plan that would permit one of them with a title indicating top responsibility to be designated as a spokesman with full authority to answer inquiries on an extemporaneous and immediate basis. It would be understandable if a statement issued under such circumstances might not be all-inclusive, but it could still be directed at the specific charges or specific problem and not be a general blanket denial.

In essence, the issue is one of accepting responsibility: When the public relations chips are down and your company's good name is at stake, where are you, Mr. Chairman?



**Walter Cronkite**  
Dean of the world's  
broadcast journalists

# Things No One Ever Tells You Not Even Your Research Staff

## A Compendium of Unusual, Even Unauthorized Facts

Edited by Jim Aylward

*You pay your people good money. They work day and night. They're loyal. They ferret out bits of information they think you need. They copy it, color-code it, catalog it, record it. It's at your fingers when you want it. You have a report on anything. A study on whatever. Unfortunately, there are some things no one ever tells you. Fortunately, we will.*

One hundred eighty thousand Americans are millionaires today.

Tooth decay may be spread by kissing.

Brain work won't give you a headache. A headache comes from lack of exercise. Exercise your brain all you want, but exercise the rest of you at least once a day.

Bad breath? Chew some parsley.

Only one businessman in five cheats on his wife. Even occasionally.

Avoid eating very hot and very cold food together. The rapid change in temperature may crack your teeth.

If you like to bowl don't call it exercise. Dr. Paul Hunsicker has ranked all the best sports for exercise and bowling is the lowest on the list. Basketball is number one.

The oldest business in the world? You're wrong. It's England's Faversham Oyster Company. It goes back to before 1189.

It's safer to work in a factory than in your office. Forty-six and a half percent of all job-related accidents happen in offices compared to a little more than thirty-six percent in factories.

If you have a hard job to do that has to be done properly do it early in the day. That's the time you do the most accurate work. If speed is the thing, do the job in the early afternoon. You work fastest around two PM.

Poor women and rich men are your fatties today. Twenty-five to thirty-five percent of all poor women are pudgy. Seventeen percent of all men in the upper income brackets have ring around the middle.

Any high protein food you eat before your party will help slow down the effects of liquor. It's not just milk that helps. An egg will help too.

Most people today feel that current products are not quite or not at all as good as they used to be.

Migraine headache? Get under a hair dryer. The warmth and the hum will relax you. Goodbye headache.

Indianapolis is home headquarters for the Society of Dirty Old Men. If you have five dollars and you admit that somebody once called you a dirty old man, you can become a lifetime member. One of the club's resolutions is "never take candy from strange children".

A twelve ounce potato has only two hundred calories but all the vitamin C you need each day.



Drinkers tend to interrupt and/or ignore the person they're talking to.

Your left hand is a hard worker. It does fifty-eight percent of the work of typing. Your right hand is lazy. It just gets the periods and commas.

The most popular drink today in the world is water. Liquor is in eighth place behind coffee, beer, soft drinks, milk, tea and fruit juices.

The U.S. printing office has a publication called "Color and The Graphic Arts". It's printed in black and white.

If you're out of glue a little evaporated milk will make a good emergency substitute.

The sun's spin speed is speeding up. It was forty-five hundred miles per hour in 1976. It's now forty-seven hundred fifty miles per hour.

There are seven hundred, seventy-five thousand individuals living by themselves in New York City. That's almost enough to populate San Francisco.

Dentistry is the most psychologically disturbing field of medicine. It's that look of terror in your eyes when you get into the chair that does it.

A sign at the United States Bureau of Engraving insists "The buck starts here."

Saying your prayers at bedtime could control your blood pressure. Dr. Herbert Benson of Harvard says any mental activity that brings you peace is good for your health.

The average fifteen minute coffee break isn't. It's eighteen minutes long.

The older you get the slower you think, but you think better thoughts.

Feelings of anxiety decline with age.

Your orthopedic surgeon says more executives today would feel better if they wore high heels. It's one way to make your aching back feel terrific.

Unsanitary conditions may be found in nearly ninety percent of the restaurants that serve the public.

Drivers are twice as likely to develop a ruptured disc as non-drivers.

If you're taking antibiotics and they don't seem to be working, it could be the food you ate for dinner. Brussel sprouts and cabbage have a natural substance in them that can counteract the medication's work.

Wives are sixty times more likely to become depressed than are spinsters. The same applies to men. In a study of fourteen depressed men, twelve were married. A depressing study.

Seventy-five percent of industrial work accidents happen to workers who won't eat their breakfast.

Electric Excedrin could be the pain killer of tomorrow. They say an electric current gently applied near a nerve will end almost any kind of ache.

When you brush your teeth, brush your tongue too. Bacteria on your tongue can cause cavities on your teeth.

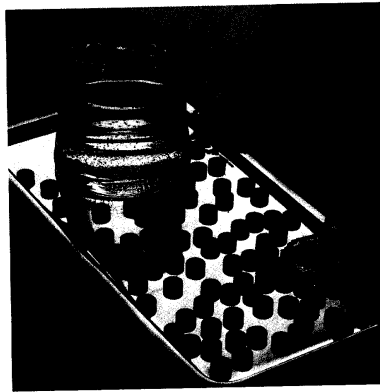
If science could immediately eliminate cancer, it would add only one year to mankind's life expectancy. If all smoking were stopped it would add five years.

Cracking your knuckles will not make you arthritic. The chief harm in knuckle cracking is its annoying effect on your friends and family.

For every shoplifter caught today, thirty-five others get away.

Women steal more than men do.

Americans take seventeen billion aspirins each year. That's about seventy-seven per person.



Your ability to cope and to reason is decreased when your mood is even a little on the down side.

The most difficult job in the world now is *housewife*. Also on the list is ditch digger, file clerk, dancer, garment worker, lawyer, professor and traveling salesman. Brain surgeons, research writers and chief executives were not listed.



**“Without Peace—  
The Repercussions Are  
Too Gruesome to Contemplate”**

**Anwar El Sadat  
President of the  
Arab Republic of Egypt**

Like every sovereign state our primary concern in Egypt is the national security and welfare of the Egyptian people. However, unlike many states the regional and international contexts play a vital and crucial role in Egypt's destiny. This may be because of our geographical situation and the ties that bind us with many a political sphere as well as our role in the area in which we live and have lived for thousands of years; an area which was the cradle of civilization and monolithic religions and now the world's major source of energy.

It was only natural that the complex game of nations did not exclude the Middle East. In fact it may be asserted that none of the fabled heroes across history have not tried to control our area; Alexander the Great, Julius Caesar and Napoleon Bonaparte, to name a few. It may be that the road to world wide fame runs through the Middle East and particularly Egypt.

#### **The Effect of War**

Interaction with the international context has helped enrich our culture but it has also caused us much inconvenience. It has forced on us a state of war for a prolonged period of time, a war that has hampered Egypt's over-all development and affected the economic and social well-being and prosperity of the Egyptian people. If peace were to be achieved in the Middle East, we would be able to reallocate our resources towards steady and rapid economic development thereby granting our people the better life they deserve. Our desire for peace does not only relate to the national context or even the regional, it is only directed towards world peace and security as well as its stability with peace prevailing in our area. The countries of the Middle East by using their ample human and energy resources may actively contribute to world peace and prosperity.

Towards this noble end, Egypt has spared no effort in its search for peace. We believe that our area, which has lived the last three decades in continuous wars and tur-

moil because of the unprecedented injustices done to the Palestinian people, has all the right to turn that page and address itself to the crucial problem of economic and social development. This, to be done, needs a strong basis of justice, peace and stability. Egypt therefore has accepted the United Nations Security Council Resolution 242 of November 1967 which laid down the basic conditions for peace, namely the inadmissibility of acquisition of territory by force and the respect of the sovereignty and territorial integrity of all states in the area and their right to live in peace within secure and recognized boundaries.

Moreover, Egypt has cooperated fully with Ambassador Jarring's peace mission and in that connection expressed her willingness to end the state of belligerency with Israel and enter into a peace agreement with her in the context of an overall peace settlement, provided that Israel honors all her obligations under the Charter of the United Nations and carries its commitments in accordance with principles and terms of Resolution 242.

Unfortunately, our genuine desire for peace was met with continuous Israeli intransigence and tactics of procrastination thus undermining all peace efforts be it the Jarring Mission, the Four Power Talks or the African Wise-Men Initiative until the outbreak of the October 1973 War.

#### **Toward Peace**

The October 1973 War was but a step in our overall peace strategy. You will recall that I stood before the Egyptian Peoples Assembly on October 16, 1973 amidst the war and launched a peace initiative. I called for the convening of a peace conference under the auspices of the United Nations comprising all the parties concerned including the Palestinians. This call duly manifested itself in the Geneva Peace Conference.

Israel has all along and since 1967 favored the status quo which means the continuation of its occupation of

**Without Peace-**  
Anwar El Sadat

the Arab territories and the continued denial of the Palestinian rights, a concept which was shattered by the October War which revealed to the world the explosiveness of the situation that some were reluctant to see. The October War provided us as well as many powers including in particular the United States with the necessary impetus to pursue with vigor the search for peace. To that end we have tried various formulae for peace as a noble and sacred goal deserves indeed to be sought by all means available.

#### **The key to the settlement**

The world attention was also focused as a result of the October War on the Palestinian issue which we are convinced constitutes the core of the entire Middle East problem. Some like to obscure the circumstances that led to the existing situation in our area. But we have got to have our minds clear as to the basis of the problem we are to tackle. That is why I want to reiterate that the Palestinian problem is the crux of the Middle East problem, and therefore the key to an overall settlement. The Palestinian people have endured tremendous pain and suffering unparalleled in the history of mankind having been expelled from their homeland and denied their inalienable right to self-determination. That is why we insist that the problem of the Palestinian people be solved and that the Palestinians be represented in all peace negotiations.

#### **The PLO**

The Palestine Liberation Organization has been chosen by the Palestinian people as their representative body. This decision of the Palestinian people was endorsed by the Arab states at the highest level when they recognized in the Rabat Summit Conference of 1974 the PLO as the sole legitimate representative of the Palestinian people. An international legitimacy has been conferred upon the representativity of that organization by the world community when the United Nations General Assembly at its 29th session invited the PLO to participate in its deliberations on the Palestinian issue, granted it the observer status and invited it to participate in all peace negotiations. It is in the light of the above that Egypt insists that the Palestine Liberation Organization, in its capacity as the sole legitimate representative of the Palestinian people, participate on an equal footing with other parties concerned in the Geneva Peace Conference. Because without PLO participation the core of the Middle East problem cannot be tackled let alone solved, thereby rendering the conference unable to make headway towards a peaceful settlement.

#### **Israel Undermines Peace**

And now through Israel's insistence that the PLO not be present at the Geneva Peace Conference, Israel is indulging once again in her preferred policy: undermining peace efforts and the procrastination of the peace process.

In this connection, I would like to point out an in-

herent inconsistency in the Israeli attitude *vis a vis* the PLO. Israel calls the PLO a terrorist organization and therefore she will never negotiate with it. On the other hand she demands that the PLO recognize the state of Israel as a precondition for negotiation. Recognition of a state can only be demanded from another state or at least a political entity, and yet Israel is denying the right of the PLO to have a say in the destiny of its people.

Furthermore, Israel has participated in the Security Council meetings alongside the PLO, so what is the difficulty in sitting with the PLO in the Geneva Conference itself? More, if such a trend is accepted, namely this so called right to choose the delegates of another party with whom to negotiate, such a right should be guaranteed to all sides, in which case we would have a lot to say.

#### **The Geneva Conference**

We feel that the Geneva Peace Conference is the most suitable and adequate forum for peace negotiations. As pointed out earlier it was based on an Egyptian initiative. The Israeli procrastination tactics have contributed to delay its reconvening until now. At present we are doing our utmost to have the conference reconvened as early as possible this year. However, the reconvening of the Geneva Conference is not the end we desire, it is but a means to the end: peace. It is through Geneva that we hope to achieve a just and durable peace.

For peace to be durable it must be just. And for peace to be just it must be based on the established principles of international law as well as on the purposes and principles of the United Nations Charter, namely: the inadmissibility of acquisition of territory by force and the right of self-determination. Those principles, in practice, entail that Israel must end its occupation of all the Arab territories it occupies since June 1967 and that it recognizes the Palestinian's right to exercise their inalienable rights including the right to have a state of their own in the West Bank and Gaza.

#### **President Carter**

I would like to seize this opportunity to welcome President Carter's recent statement about a homeland for the Palestinians. This means that the President has a grasp of the intricate issues that constitute the complex Middle East problem.

#### **The Peace Solution**

The other elements of the peace solution comprise the issue of borders, the security arrangements and the end of the state of belligerency.

#### **Borders—No Compromise**

First, the issue of borders. The borders between Israel and her Arab neighbors are either international boundaries as is the case with Egypt and Syria or fixed by demarcation lines laid down and agreed upon in the 1949 armistice agreements insofar as the West Bank and Gaza Strip are concerned. There can be no room for negotiation or compromise on that because we cannot



negotiate our sovereignty or the integrity of our territories. We are in fact negotiating to reach a just peace which cannot be based on acquisition of other countries' or peoples' territories.

#### **Willing to Accept Demilitarized Zones**

Israel has repeatedly called for defensible borders, that subjective concept that no longer fits the realities of modern times. With modern sophisticated weaponry and nuclear arsenals deployed around the world nothing is defensible in the military sense. A more concrete and realistic goal would be to aim at restoring the June 1967 lines backed by international instruments. As a token of our good will, we are willing to accept demilitarized zones astride the 1967 borders to be patrolled by United Nations forces or other devices that do not derogate from the principles of sovereignty, territorial integrity as well as the sanctity of international boundaries.

Before winding up the issue of borders, I would like to make a final remark. Israel is advocating open borders as one of the guarantees it requires to conclude peace with the Arab states. She, however, defines it only in terms of the Arab states opening their borders to Israeli citizens. Apparently, Israel has not considered the other side of the coin; or is this coin like all the others she possesses — unique — having only one side. Has Israel for one instance considered opening her borders to the millions of Palestinians who are scattered around the globe waiting to return to their homes?

#### **International Guarantees Acceptable**

Second, the issue of international guarantees. We have repeatedly stated that we shall accept any guarantees deemed necessary for peace provided they do not infringe upon our sovereignty. We accept U.N. guarantees, Security Council guarantees or big power guarantees. We even went as far as proclaiming our indifference to a unilateral United States guarantee for Israel in the form of a defense treaty. We firmly believe that the ultimate guarantee for Israel is acceptability. There can be no better and more durable guarantee than Arab acceptance of Israel to live in the Middle East. This acceptability, however, must be built on a just solution of the Middle East problem. Our imagination cannot conceive of any other guarantees.

#### **Israel Manipulates**

As expected from Israel, she is consistently manipulating the issue of guarantees. She is indulging in her favorite theatrics in trying to convince the world that she requires guarantees to safeguard her existence and not just guarantees for peace. Let us be clear, it is the Arab countries that are more in need of such guarantees. This is a fact clearly manifested by the long history of Israeli aggression against Arab territories.

So if Israel is serious in her desire for peace, let it cease beating-around-the-bush and accept guarantees that safeguard the security of all sides because her existence is not at stake.

#### **Evacuate Arab Territories**

Third, concerning the issue of the end of a state of belligerence, we are of the view that it would take place as a result of the fulfillment of all the basic elements of peace, namely the Israeli evacuation of all Arab territories it occupies since June 1967, and the arriving at a political solution to the plight of the Palestinian people. In this connection, I would like to correct a discrepancy arising from Israeli propaganda: that the Arab states must end the state of belligerence as a precondition for peace, thus implying that the Arabs were the initial belligerents.

The truth, however, is exactly the opposite. The existing state of belligerence in our area was brought about, in the first instance by an act of Israeli aggression.

— First, against the Palestinian people and their legitimate rights,

— Second, against the independent sovereign Arab states. Consequently, if Israel is serious in its call for the termination of the state of belligerence, it must allow the Palestinian people to exercise their legitimate rights and end its occupation of all the Arab territories she holds.

Our position concerning the termination of the state of belligerence was stated in the clearest terms in our answer to the Jarring peace initiative in February 1971. Our position to this day has not changed.

#### **We Look Toward a Zealous American Role**

Much effort has been exerted for the attainment of peace and therefore we feel that the time is ripe to fulfill this noble aspiration. We are convinced that the year 1977 provides us with a unique chance for a peaceful settlement. Let us not waste it. Let us all stand firm against maneuvers of procrastination, because peace cannot wait. We are looking forward towards a zealous American role, a role we consider crucial. The United States has come a long way towards an even-handed position *vis-a-vis* the dispute in our area. We are confident that the U.S. shall maintain this course, for she possesses the means that would facilitate the reacting of a just and lasting peace.

#### **Repercussions Too Gruesome to Contemplate**

In conclusion, I would like to reiterate Egypt's persistence in the pursuit of a just and lasting peace. If Israeli intransigence and evasive tactics continue, the Geneva Peace Conference will inevitably be doomed to failure. In that event we shall lay the matter before the United Nations Security Council so that it may assume the responsibilities assigned to it by the U.N. Charter as the principal organ responsible for maintenance of international peace and security. If again progress is not achieved we shall pursue our quest for peace through all available options.

This is our consistent policy which vividly reflects our resolution in exploring all the avenues leading to peace. We hate to see it fail. The repercussions are too gruesome to contemplate.

CHIEF EXECUTIVE

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## THE CARTER EXPEDITION

I traveled faster than the speed of light. I traveled farther than any person had ever traveled. I left the planet earth, sped through the universe, and arrived in a land that is far different from any I had known. I had come to seek a better life.

The beings that inhabited this other world were puzzled by my request to live there. They asked, "What are your absolutely non-negotiable conditions for living among us? What do you humans ultimately require as a *sine qua non* for human life as you wish to live it? We understand your biological necessities—air to breathe, food to eat, shelter against heat and cold, a quiet place to sleep—but what are your specifically personal requirements for human life? Tell us briefly so that we can decide whether we wish to accommodate you on our planet or not."

How could I briefly communicate to them our bottom-line requirements for a meaningful human life? What do humans really need and want to be truly human, either on an alien planet, or at home on earth?

I began with what I judge to be God's greatest gift to humans, *freedom*, freedom to be what I can be as a human being. My mind, another great human gift, must be free to range everywhere, knowing all that can be known, all truth, all beauty, all creation. I must be free to love all that is lovable, all the good and great and beautiful manifestations of reality that fill the universe. I must be free to develop my mind and my heart, to enlarge my spirit in every way, to encompass all the universe, and God, too, by knowledge and by love.

Humans, wherever they are, must be free to create a human world as best they can. We are not really free if we perceive injustice and can do nothing about it, if we see other humans in slavery and cannot free them. My

freedom must be able to create freedom where it does not exist, or I am not really free, not humanly free.

This sounded reasonable to the leaders of the new civilization that I wanted to join. They asked, "Did you enjoy those human freedoms on earth?"

"To be perfectly honest," most of the people on earth were not free, although the level of their freedom or lack of it differed. Some were not free politically because they were governed by regimes that did not really believe in political freedom—civil rights, as we say. Others were not free because they were so economically poor that freedom was meaningless. Their real problem was to get enough food to survive, or a house for shelter, or meaningful work to earn enough to provide for food and shelter when it was available for a price. Then there were a billion people who were not free because they were illiterate, cut off from all the human culture and learning of centuries of human development in literature, history, science, and art. Ignorance for them was a very real kind of slavery. Last of all, to be perfectly honest, there were those who lacked even elemental justice regarding their lives—political outcasts. They were killed, imprisoned, tortured, exiled, and mistreated in every inhuman way."

Now the leaders of this other planet were becoming more curious and new questions came tumbling out: "Human beings did this to other human beings—killed, tortured, starved, kept in ignorance, imprisoned like animals? Did they not believe in these ideals of freedom and justice and peace and love that you say you absolutely need to live a truly human life in our planet? What did you who were free do about this lack of freedom and justice on your earth?"

"There was some discussion on the twenty-fifth



REVEREND THEODORE M. HESBURGH, C.S.C.  
PRESIDENT, UNIVERSITY OF NOTRE DAME

anniversary of the United Nations Declaration that maybe there should be a High Commissioner for Human Rights empowered to go anywhere in the world to investigate the denial of these rights and to report to all the world when humans were being mistreated."

"Did you appoint such a person?"

"Well, no. It was all caught up in resistance by individual nations, especially those denying human rights, saying that no one should interfere in their internal affairs, that others were worse than they were, that their national sovereignty was more important than anything else."

At this point, my questioners almost exploded: "More important than those human rights without which you say you cannot live a really human life among us? If what you request of us is right, how could humans on earth deny it and still have a decent human condition on earth?"

"Now you make me confess, with some shame I finally admit, we did not really have a decent human condition on earth for the majority of human beings. There were few very rich and many very poor. A few were free, but most, in one way or another, were slaves. There was little real interest in bridging the gap. The few wealthy nations gave less than half of one percent of their gross national product to help the poor. They all, rich and poor, spent many times more than that, about \$300 billion a year, to buy the newest weapons of destruction. We had a wonderful saying of long ago about peace coming when we turned our swords into plowshares, but no one took that too seriously. If you were really concerned about arms control, you were suspected of being a kind of traitor. The patriots were those who insisted on building up mountains of armaments."

"Didn't anyone see the insanity of all this? Where it was leading?"

"Well, the United States had a President who spoke of curtailing the arms race and began to criticize these denials of human rights when they occurred, in both large and small countries. He said we couldn't run someone else's country, but that when they did something inhumane, he was going to say that we thought it wrong, that we would try to stand for human rights, freedom, and dignity, both at home and abroad."

Finally, my questioners seemed relieved and asked: "Was he cheered for that concern for the most important need of human kind across the earth?"

"A few who deeply believed that what he was doing was right and long overdue cheered him, but the cheers were drowned out, both in his own country and abroad, by powerful people who said he was too moral, too religious, too naive, too frank, too likely to cause worse problems, if you can imagine what could be worse."

"Did it get worse?"

"Much worse. When I left earth, the great opposing powers were about to blow each other up and destroy the rest of the world in the process. In fact, that's why I left to seek a better world. Humans on earth just did not seem interested in saving themselves."

A final question: "And this President who tried to turn the tide, what happened to him?"

"He is an old man today and one of the few on earth who still believes in human freedom. I hold many of his beliefs because I am his grandson. In fact, I was born a few weeks after he became President and was named after him.

My name is James Earl Carter."

CHIEF EXECUTIVE

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## Commentary

Walter Hoving  
Chairman,  
Tiffany and Company

The typical business chief executive is mightily endowed with the numerous skills and abilities that are needed to run the great corporations.

These accomplishments are the envy of the whole world and businessmen come from all over to study our techniques.

However, this typical chief executive is woefully lacking in one skill which is of the utmost importance in these critical times:

He cannot make a speech.

He cannot even read a speech properly.

His speaking ability is far, far below the lowliest local labor leader, not to mention the hack politicians.

Now, why is this so?

There are at least four reasons:

1. He has let himself be persuaded that he should keep his mouth shut on public and political issues.
2. He has permitted his public relations people to prepare his speeches for him, thus making them long, boring and dull.

3. When he does speak, it is generally to audiences made up of other executives.

4. He has made no effort to learn how to read a speech or how to speak extemporaneously.

Now this is most unfortunate because we desperately need to have heads of important corporations take strong and vigorous positions on important questions of the day. These positions should not be taken just by paid heads of Chambers of Commerce or other such business organizations.

If we really want to get the attention of the public, the politicians and the media, these positions must be presented by the outstanding business leaders themselves.

After all, it is our responsibility to defend the free enterprise system. It is our responsibility to raise our voices in defense of our way of life.

All chief executives should be persuaded that this is of even more importance to the world than running their corporations.



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## Does the World Hate Business?

Baron Edmond de Rothschild  
Chairman,  
La Compagnie Financiere, Paris

The fact is that business, since we can remember, has had a bad image.

During the Industrial Revolution in England, a highly Protestant country, business was looked upon as something that was not respectable.

In Catholic countries, the concept of business, I find, is something that is frowned upon. Here in France, people would rather discuss the bubonic plague than the amount of money they earn.

Still, in the course of the 19th Century, business was accepted because it created employment and although the workers had to put in long and difficult hours in the worst kinds of conditions, it was still better working than starving to death. There was no welfare state at that time.

Emerging from the Great Depression and with the United States and Franklin Roosevelt showing the way, the business world was saved by the creation of a certain number of laws and regulations which eliminated some of the more savage aspects of competition in business life. In the boom that followed World War II, when the

whole world needed goods, from ships to automobiles, to housing, to clothing and food, business was fairly well regarded. The politicians and the media did not turn on business since there was a big demand. But the moment we had abundance, business was again frowned upon. The industrialists were building the wrong cars, the retail shops selling at the wrong prices, the food processing industries were using products that caused cancer. Once the pressure was off the consumer to get the goods, he became anti-business.

But, speaking frankly, being anti-business is a very stupid attitude because, whether we like it or not, the modern world, scientific developments, the industrial boom have all combined to create prosperity in the western world. And even in the eastern world. We are not in a post-industrial world. We are in an industrial world and whether one likes it or not, the only way for people to get employment, the only way to bring sufficient amount of wealth to a tax system that permits a country to create good schools, build homes, make roads, airfields, hospi-

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CHIEF EXECUTIVE

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**Does the World Hate Business?**  
Baron Edmond de Rothschild

tals and finance research, is through the proper functioning of the industrial state.

But, speaking very frankly, there is no sex appeal in admitting these truths. One is much more likely to get a headline or attract public attention with a demagogic attack on business. How easy it is to say: "Down with General Motors and their big cars." How easy it is to say: "Down with the oil companies." But it is not that simple. General Motors is not against building small cars, but small cars cost practically as much to build as big ones and in America the consumer wants a big car for a small price, not a small car with a big price. Why? Because if you go on the roads of the United States, particularly the interstate highway system, and you are next to a truck barreling down the highway at 60 miles an hour, you don't feel very safe in a small car. The same kind of logic applies to the oil companies. Since the start of the energy crisis, it has been fashionable to blame them for shortages and rising prices without taking into account the money they have to spend on developing new sources of petroleum. And one thing is overlooked in all of these arguments. Who owns General Motors? Who owns the oil companies? The public does. We often hear the word that they are in the hands of big trusts, but the big trusts of today are the pension funds of workers, mutual funds, and these are mostly made up of the small savings and future pension payments of working people.

It is true that in the past it was not always this way. I come from a family which belonged for more than a century to the race of capitalists. These capitalists ran their enterprises to make profits for themselves. That is rather true today. The large concerns are almost wholly owned by the public and by institutions which represent the public. They are run by professionals who have nothing to do with the ownership of the company. These are highly qualified people and in today's world they must be trained in ways that were not even dreamed of 25 years ago. They must be trained in oil and finance; they even have to be diplomats and statesmen; they have to have a special understanding of the workers they employ and the conditions in which they work; they have to think of

their shareholders and the failure to do so cuts them off from the possibility of going back into the market and looking for an augmentation of capital when they need it. My own son, who I am training to take over my business, will have to be far more professional than I was at the end of World War II when I took over the business and it did not require particular genius to make money because there was so much demand that almost everything you touched was bound to go right.

My personal approach to big business and to the men who run these businesses is their penchant to leave the explanations of their activities to lawyers and public relations men. What they should be doing, instead of being on the defensive and shying away from the public, is to be out front, on the attack, explaining what is wrong, why the job they are doing is a proper job. In my opinion, the business world shouldn't lobby. It should be clearly said: "That's what we do. That's the kind of wealth we create. If you like it, you take it. If you don't, I will stop." My meaning is clear.

One last thought. In all this anti-business atmosphere, some of the biggest attacks have been leveled against multinational corporations on the grounds they are too big and too powerful. This is a false concept. I would say that actually the multinationals in any particular country are weak. They want to be a better citizen of that country than the actual citizens of that country. The result is that they are usually weaker than their national competitors. It is also false to say that the multinationals keep on growing. I think they peaked in the 60's and I think that informed people now believe that national companies are a better system than international multinational businesses. There are obviously advantages in creating worldwide markets than having to duplicate, for example, research departments, but there are also big drawbacks.

In conclusion, my feelings are that we in business have not done a good job of telling people what we do. We have been too much on the defensive. We are making a final contribution to the world that we live in and we should not be afraid to say so out loud.

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# Lipton

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1977

No 166-77-

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# Preparing Reforms to Avert New Fighting

**BY VINE HOWE**  
 The New York Times  
 June 14—Lebanon's urgent political situation is expected to avert a recurrence of bitter strife.

Lebanon's Prime Minister, Sarkis and Prime Minister, have met repeatedly to win a consensus for a national political agreement. The Prime Minister, describing the situation as "crucial," said the country is still unresolved because of the reconstruction of the war. Last night, he said to postpone until next week's deadline for the elections. Informed sources said Christian groups had met with the new army and was a political settlement.

The political system distributes military service and legislative power to the numerical

importance of the Christian and Moslem sects. This system may not have caused the recent fighting, but it provided fertile terrain for the spread of hostilities, which originated between right-wing Christians and leftist Palestinians.

Since Arab peace-keeping forces ended the war seven months ago, there have been widespread pressures for basic political change. The proposals include everything from virtual partition to total secularization.

Dory Chamoun, a Maronite Christian leader and secretary general of the National Liberal Party, favors a system of "political decentralization," that would divide the country into Moslem and Christian areas. This would eliminate friction between the two communities, he said. "The Moslems will have full responsibilities in their areas and we Christians in ours."

Moslems, on the other hand, criticize the original system as favoring the Christian community, and demand equal powers. Under the system, established when the country became independent in 1943, the nation's president had to be a Maronite and the prime minister a Sunni, or Orthodox, Moslem. In Parliament, 55 seats were allotted to Christians,

44 to Moslems.

A group of students from the state-run Lebanese University, including Moslems, Maronites and Protestants, agreed in a recent discussion that the old system was no good because it "institutionalizes religious rivalries." They recommended secularization, but quickly pointed out that the traditional political leaders would not agree because they depend on religious support.

The president has not made public his reform program because it is still under discussion. The new political formula aims at "national appeasement," according to a senior Government official. He insisted that the majority of the population favored a middle-of-the-road compromise.

"Only an extremist fringe wants partition, and the country is not ready for secularization," the official said, disclosing the broad lines of the planned amendment to the Constitution.

The reform program would preserve the sectarian structure of the highest government posts but would eliminate religious quotas in the civil service. The electoral law would be revised so that the number of seats in Parliament would be equally divided between Moslems and Christians.

# British Government Block Of 67 Million B.P. Shares

## Priced at Over \$1 Billion

**JUN 15 IV 14:1W**

LONDON, June 14 (AP)—Gold prices Government today detailed the terms of the sale of its 66.8 million shares of British Petroleum Company stock for about \$1 billion. It would be the nation's largest corporate sale ever.

The shares, representing about 17 percent of the company's stock, are being offered at 8.45 pounds each (\$14.53 apiece at today's exchange rate).

Underwriting of the offering, which is being carried out by more than a dozen major London merchant banks and stockbrokers, was going "quite well," according to one London broker.

However, B.P. shares were quoted on the London stock exchange for most of the day at about 865 pence (\$14.88), compared with 890 pence (\$15.31) late yesterday. Trading in the B.P. shares was very light.

The Bank of England, which announced the terms of the sale, confirmed that as much as 25 percent of the shares being sold may be offered in North America

# Assembling Narrow Coalition

**By WILLIAM E. FARRELL**  
 Special to The New York Times  
**6:3**

Menahem Begin is expected to assemble a narrow coalition of Likud bloc and religious parties. The refusal of Begin to join his cabinet, backed by 63 of Parliament, is scheduled to the legislators. After it receives a step that seems Mr. Begin is due to form a stronger coalition founded on Democratic Movement political entity Knesset, or Parliament off talks with Mr. Likud alliance, as not being offered for major issues.

**Slammed**

Israel's retention of the West Bank of the Jordan during the 1967 war is part of the Jewish settlement favors territorialism for a true peace.

The Democratic Movement closed on joining in a it did not slam it. A theologian who was of the Democratic Movement said that "in the future we should emphasize

the phrase "present condition."

Some Likud officials said that there was a move in the party to leave vacant a few ministerial portfolios for up to a month as an enticement to the Democratic Movement to rethink its rejection of a linkage with Likud. But other Likud officials felt that enough attempts to woo the new party had been made and that all the key posts should be allotted.

Likud now has 45 seats and can muster 63 votes with the aid of two religious parties and a couple of scattered seats. Such a government would have a nationalist and religious tinge.

**Labor Federation to Vote**

Meanwhile, interest is focusing on an election scheduled for next Tuesday within the Histadrut, or General Labor Federation, which has long been controlled by the Labor Party.

Labor politicians are striving to retain that control, particularly in view of their defeat in the parliamentary elections May 17. If they do, Labor's role as a strong opposition party would be enhanced since the Histadrut would be in a strong position to try to thwart Mr. Begin when he attempts to implement Likud economic and labor policies.

A total of 1.3 million members are eligible to vote—more than half the country's registered voters—and some 900,000 are expected to do so, according to the Histadrut secretary general, Yerhuam Meshel.

Likud favors greater economic involvement by the private sector and the diminution of many of the privileges the Histadrut has gained in a

# 25,000 LEADERS WILL GET CHIEF EXECUTIVE MAGAZINE

**JUN 15 IV 2:15**

A new quarterly magazine, Chief Executive, is scheduled to begin publication at the end of June. It will have no newsstand sale and no subscriptions and it will be sent only to "25,000 distinguished leaders of the world," according to an advance copy of the first issue.

"It is the purpose of Chief Executive magazine to provide a forum for the world's most important and influential leaders to speak quickly to themselves and to give new ideas and inspiration toward a better world," the first issue states.

It contains articles by President Carter; José Lopez Portillo, President of Mexico; and Anwar el-Sadat, President of Egypt, and an interview with the Shah of Iran.

The magazine's president and editor in chief is Henry O. Dormann, former chairman of the board of the National Enquirer. Mr. Dormann said the magazine would be financed by its advertisers. Only full-page advertisements are accepted. They cost \$10,000 a page and \$10,000 for the back cover.

at a dollar price not below the British offer.

[The closing price of the stock on the New York Stock Exchange yesterday was 15 1/4, up 1/4.]

The Government has held about 68 percent of B.P.'s stock and will still control 51 percent of the company after completion of the sale.

It announced last December that it would sell part of its B.P. holdings as part of the package to obtain a \$3.9 billion standby credit from the International Monetary Fund.

The sale has been opposed by some members of the cabinet, including the Energy Secretary, Anthony Wedgwood Benn.

**JUN 15 IV 14:2**

The Government's ownership of British Petroleum rose to the 68 percent level in early 1975 after the Bank of England purchased Burmah Oil Company's 20 percent interest in B.P. to help Burmah overcome financial difficulties.

However, Burmah and many of its shareholders say that the price of 230 pence paid for the B.P. shares at that time (equivalent to \$3.96 at today's exchange rates) was unfair compensation, considering that prices on the London stock market were close to a 20-year low at the time.

Burmah is now seeking to buy back its holdings from the Bank of England at the original price. The dispute has not been settled.